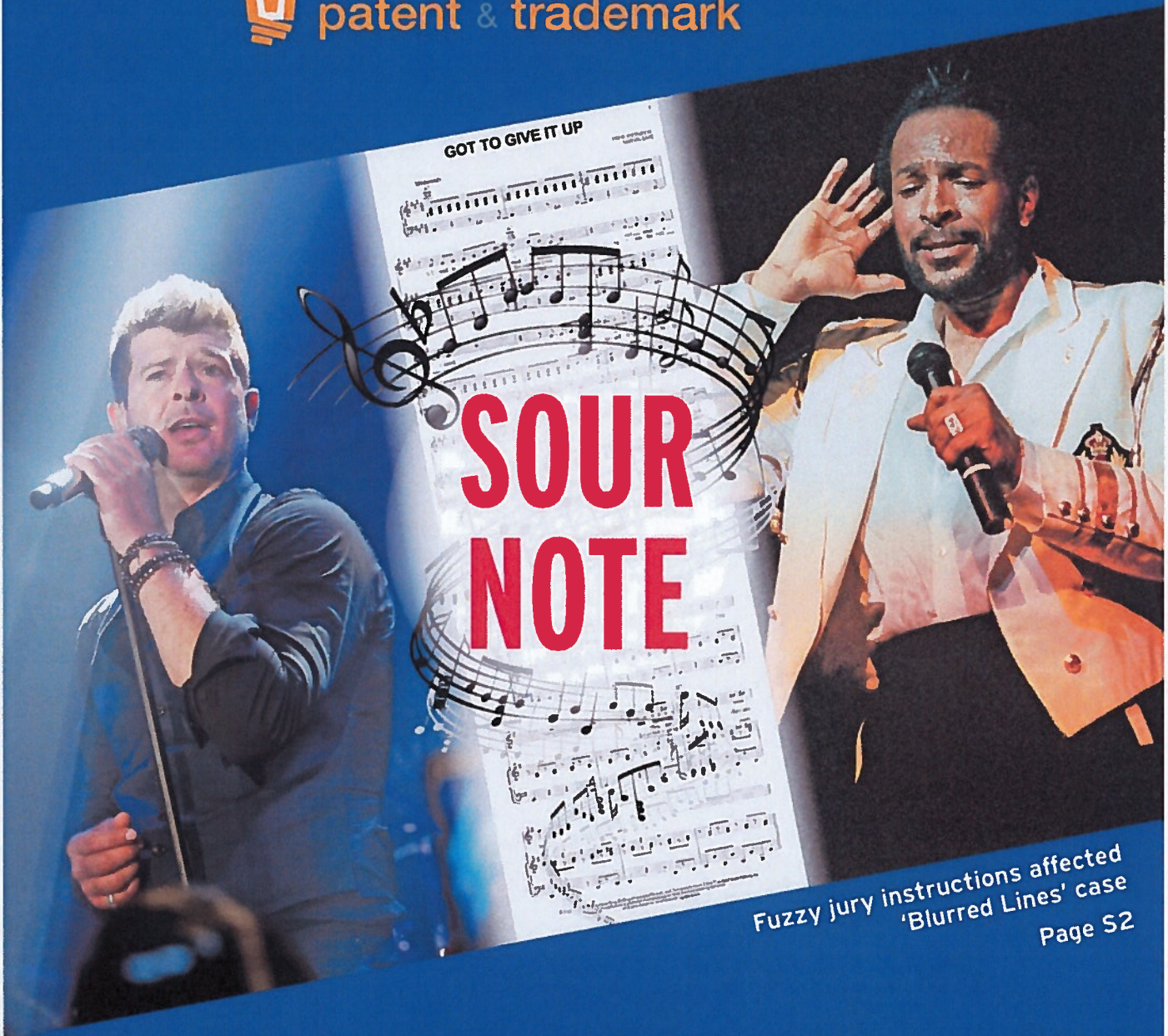


# INTELLECTUAL PROPERTY



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# The First Step in Fighting Cybersquatting

IN DOMAIN DISPUTES, IT'S IMPERATIVE TO REGISTER TRADEMARK

By **ANDY I. COREA**

Disputes between trademark owners and domain registrants often turn on ownership of a distinctive trademark. A recent U.S. Court of Appeals for the Eleventh Circuit decision demonstrates how important federal trademark registrations are in establishing rights in these contests.

Conflicts between trademark and domain name holders date back to the establishment of the commercial Internet. Since that time, trademark owners have struggled to prevent the registration of domains that feature terms that are identical or similar to their established trademarks. Most disputes are handled as arbi-

**A well-planned trademark portfolio can be very useful in establishing rights that are more easily enforceable in arbitration or federal court.**

trations under the Uniform Dispute Resolution Policy (UDRP), which applies to most accredited domain registrars, or as federal lawsuits under the Anticybersquatting Consumer Protection Act (ACPA). In either case, the plaintiff bears the burden of proving that it owns a valid and protectable trademark, and that its rights to the mark predate registration of the disputed domain. Ownership of a federally registered trademark greatly simplifies the proof required, by establishing presumptions of ownership and validity as of the filing date of the application.

## Distinctive Trademark Ownership

The ACPA creates a federal cause of action for owners of trademarks against the registration of domain names that harm those marks. To succeed in litigation, the trademark owner must demonstrate: (1) the asserted mark was distinctive at the time the defendant obtained the disputed domain; (2) the disputed domain is identical or confusingly similar to the asserted mark; and (3) the defendant obtained or used

the domain with bad-faith intent to profit.

Likewise, UDRP arbitration requires the complaining party to show: (1) the disputed domain is identical or confusingly similar to a mark in which the complainant has rights; (2) the respondent has no legitimate rights or interest in the domain; and (3) the domain has been registered and is being used in bad faith.

In either type of dispute, the prerequisite for relief is ownership of a distinctive trademark that predates the registration of the disputed domain.

Trademarks fall into two general categories: (1) those that are inherently distinctive (i.e., suggestive, arbitrary or fanciful) and entitled to protection without additional proof of distinctiveness; and (2) those that are descriptive (or identify geographic locations or surnames) and require proof of acquired distinctiveness in order to qualify for protection.

In the absence of a registration, the plaintiff must prove ownership and distinctiveness of its mark and establish that both occurred prior to registration of the disputed domain. The amount of proof required to establish a valid trademark is subjective and varies with the mark itself, as well as the nature of the associated goods and services, as in *Yamaha International v. Hashino Gakki*, 840 F.2d 1572, 1581 (Fed. Cir. 1988).

The following factors are generally relevant:

- Whether the mark is inherently distinctive or descriptive.
- How long the plaintiff has used the mark.
- Plaintiff's advertising expenditures.
- Plaintiff's market share.
- Survey evidence.
- Customer declarations.

In contrast, registration of a trademark at the U.S. Patent and Trademark Office creates a rebuttable presumption of ownership and distinctiveness, as of the application filing date, as in *Borinquen Biscuit v. MV Trading*, 443 F.3d 112 (1st Cir. 2006); *Welding Services v. Forman*, 509 F.3d 1351 (11th Cir. 2007); and *George & Co. v. Imagination Entertainment*, 575 F.3d 383, 400 n.15 (4th Cir. 2009). A complaint under the ACPA or UDRP that asserts a registered trademark will be afforded these presumptions of ownership and distinctiveness. The plaintiff can

rely on the registration to establish distinctiveness, and the burden shifts to the defendant to rebut that presumption.

## Burden to Plead Distinctiveness

*Tropic Ocean Airways v. Floyd*, Docket No. 4:13-cv-10113-JLK (11th Cir. December 30, 2014), demonstrates how difficult it can be to assert a successful ACPA claim without a federal trademark registration. Tropic Ocean Airways provides air transportation between Florida and the Caribbean and advertises its services on the website flytropic.com. It sued a competitor that registered the domain tropicoceanairways.com. There was no dispute that the competitor had registered the plaintiff's name in the disputed domain. However, the Eleventh Circuit affirmed the dismissal for failure to state a claim because the operative complaint did not establish that "Tropic Ocean Airways" was a distinctive mark at the time the disputed domain was registered.

The court found that the complaint contained only minimal and conclusory allegations about the distinctiveness of the asserted mark. Those allegations only established the nature of Tropic Ocean's services and did not provide a basis for concluding that the mark was anything more than descriptive terminology. The court said "there is no leap of imagination necessary to connect the mark to [the described] service." Moreover, even though Tropic Ocean had applied for a trademark registration, the court found that the application was filed too late to be of use in the litigation, saying no presumption of validity attaches to an application that has not yet registered.

## Analysis

There is no dispute that the defendant used Tropic Ocean's corporate name in the disputed domain. However, Tropic Ocean's case still failed at the pleading stage because it alleged insufficient facts to demonstrate that its mark was distinctive. Tropic Ocean's task was more difficult because it did not own a registration for the asserted mark. This was compounded by the descriptive nature of the mark. The court scrutinized the complaint and determined that it

failed to allege facts sufficient to establish distinctiveness. As a result, Tropic Ocean failed to meet the first prong of the ACPA test, and its complaint was dismissed.

By failing to secure a trademark registration for its primary mark, Tropic Ocean found itself without a remedy when a competitor incorporated that mark in a domain and used it to divert customers. If the mark had been registered before the disputed domain, alleging ownership of the registration would likely have been sufficient to withstand the motion to dismiss. The registration would have established presumptions of ownership and distinctiveness and allowed the plaintiff to develop its case.

## Conclusion

Trademark owners will never be able to anticipate every challenge to their marks, particularly on the Internet. However, a well-planned trademark portfolio can be very useful in establishing rights that are more easily enforceable in arbitration or federal court. Early registration of important trademarks for company and division names and names of commercially important products can greatly reduce the cost and uncertainty of enforcement. This is particularly so for important descriptive trademarks that require proof of acquired distinctiveness. ■

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Andy I. Corea

# Fuzzy Jury Instructions Affected 'Blurred Lines' Case

HIGH-PROFILE DISPUTE REVEALS NUANCES IN MUSIC COPYRIGHT LAWS

By **MICHELLE P. CIOTOLA and GEORGE A. PELLETIER JR.**

Singer-songwriters Robin Thicke, Clifford "T.I." Harris and Pharrell Williams' song "Blurred Lines" was released in 2013 and quickly climbed the charts to become the longest-running No. 1 single of 2013. Unfortunately for Thicke and Williams, their success hit a sour note when the estate of legendary rhythm and blues artist Marvin Gaye received a \$7.4 million jury verdict for copyright infringement. Additionally, the estate has since requested that all future sales of the song be enjoined.

On Aug. 15, 2013, after threats from the Gaye estate, Thicke and Williams sought declaratory judgment that "Blurred Lines" did not infringe Gaye's 1977 hit, "Got to Give It Up." The Gaye estate counterclaimed for copyright infringement. To establish that "Blurred Lines" infringed "Got to Give It Up," the estate was tasked to prove by a preponderance of a doubt that (1) a valid copyright existed; and (2) there was copying of con-

stituent elements of the infringed work that were original. In other words, there must be substantial similarity between the two works.

Listening to the respective songs, it is easy to detect similarities between "Blurred Lines" and "Got to Give It Up." In fact, numerous "mashups" seamlessly merging the songs are readily found on the Internet. "Blurred Lines" is clearly evocative of "Got to Give It Up." Both share an R&B/funk flavor, with upbeat percussion, sparse instrumentation and similar vocal lines. Nevertheless, it is important to remember that the respective sound recordings are not the issue in this case, and that not all "copying" is unlawful. Yet, these two points appear to have been blurred in the jury instructions.

In 1977, when "Got to Give It Up" was released and registered with the U.S. Copyright



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Office, the Copyright Act of 1909 was controlling. Copyright protection extended only to what was registered with the U.S. Copyright Office. While sound recordings are subject to copyright under the (current) Copyright Act of 1976, that law did not take effect until Jan.

1, 1978. The 1909 act was applicable in cases where creation and publication of a work occurred before Jan. 1, 1978.

This means that the sound recording of "Got to Give It Up" was not itself subject to copyright protection. Rather, the copyright registration for "Got to Give It Up" covered only what was distilled in the (written) musical composition. When filing for copyright registration, Gaye submitted the "lead sheets," or sheet music, for the song, which included the lyrics and some of the melodic, harmonic and rhythmic features that appeared in the sound recording, to the U.S. Copyright Office. This submission constitutes the entirety of what was protectable under the copyright of "Got to Give It Up."

Both sides filed motions for summary judgment. In its motion, the Gaye estate argued that the copyrighted compositions consist of "the recorded work as performed by Marvin Gaye." The court denied summary judgment, finding

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